

**Ways &
Means Committee
Special Meeting Minutes**

DATE & TIME: August 13, 2020 – 5:00
LOCATION: Powered by Zoom Meeting by dialing 1-646-558-8656, Meeting ID 982 6462 8740
PRESIDING OFFICER: Lynn Archer, Chairwoman
LEGISLATIVE STAFF: Amber Feaster, and Jay Mahler
PRESENT: Legislators Kenneth J. Ronk, Jr., Tracey Bartels, John Gavaris, Heidi Haynes, and Eve Walter, and Legislative Chairman David B. Donaldson
ABSENT: Legislator Mary Beth Maio
QUORUM PRESENT: Yes
OTHER ATTENDEES: Legislators James Delaune, and Laura Petit; Legislative Counsel Christopher Ragucci; Minority Counsel Nicholas Pascale; Deputy County Executive Evelyn Wright; Comptroller, March Gallagher; Deputy Comptroller Chris Quirk; Clerk of the Legislature, Victoria Fabella; Conor Gillis, NYS Association of Realtors; Tom Kadgen, League of Women Voters

- **Chairwoman Archer called the meeting to order at 5:02 PM**
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Resolution No. 240 – Requesting The New York State Legislature Introduce, And The Governor Sign, An Amendment To Article 31 Of The New York State Tax Law To Permit The County Of Ulster To Adopt A Local Law To Impose, Collect And Retain A Tax On Real Estate Transfers

Resolution Summary: This Resolution requests the New York State Legislature and Governor pass legislation amending Article 31 of the New York State Tax Law, adding subdivision “H”, permitting the County of Ulster to adopt and amend a local law imposing in the County of Ulster a tax on each conveyance of real property or interest therein when the consideration exceeds five hundred dollars, at the rate of one dollar for each five hundred dollars or fractional part thereof.

Discussion: Legislator Ronk expressed concern that this is a new tax proposed at a time when many residents are struggling, stating that some individuals may need to relocate because of the pandemic’s affects, requiring them to sell their houses which for many is their largest piece of net worth. Legislator Ronk continued, pointing out that previous discussions proposed exclusions but Counsel Ragucci and Counsel Pascale took a differing stance on the legislation required and when these factors should be solidified in the process. Minority Counsel Pascale informed Committee members it may be

possible to add exclusions by amendment to the current request to make sure they are built into the enabling legislation that's eventually passed at the State level. Legislator Water asked for clarification the Resolution is to adopt a real estate transfer tax and not for a mortgage recording fee, asking why both are not being considered. Chairman Donaldson stated that homebuyers are already subject to many taxes and it can be very difficult to purchase, and that generally it's easier to pay when you're selling a house. Legislator Walter pointed out the issue of people buying houses for use of short-term rentals and not necessarily living in Ulster County, asking that the Committee consider both taxes with some of the previously discussed parameters. Chairman Donaldson said he can understand how the proposed tax could have unintended negative implications on the seller, agreeing with the concept of a threshold exemption. Chairwoman Archer suggested tying the tax to the NYS Enhanced Star Exemption. Discussion pursued on how inclusive this exemption is and what the parameters are. Comptroller March Gallagher pointed out that a threshold would cut out a portion of the revenue this tax could potentially generate. Further, Comptroller Gallagher provided the Committee with a median price for homes within Ulster County, arguing that the tax due would be a few hundred dollars and she does not consider this to be excessive. Legislator Gavaris asked if the Comptroller Gallagher was working from report is available in Excel so that an analysis could be completed on the impact of this tax on the seller. Legislator Walter noted that setting the exclusion threshold at the median home price subjects half of the sales to the tax, arguing that this would probably be the middle ground for a starting point for enactment. Moreover, Legislator Walter acknowledged the proportional difficulty for taxpayers selling at lesser values. Discussion pursued on requiring the tax revenue to directly go to a designated expenditure. Legislator Haynes noted the overall costs to the seller and the additional impact of the tax on the seller's earnings. Discussion perused on the impact of the exemptions in consideration. Legislator Bartels noted that outliers will exist where sellers are negatively impacted by the tax but are not eligible for exemption, asking if it's allowable to base an exemption on age. Legislative Counsel Ragucci agreed to follow up on whether an age exemption is being used on this type of tax in other regions. Legislator Haynes asked if anyone has considered the possibility of the NYS Enhanced Star Exemption possibly disappearing. Members expressed interest in finding out what percentage of houses are eligible for Enhanced Star in Ulster County, the existing exemptions utilized by other Counties for these taxes, and the potential impact of the taxes if enacted.

Motion No. 1: To postpone Resolution No. 240 – Requesting The New York State Legislature Introduce, And The Governor Sign, An Amendment To Article 31 Of The New York State Tax Law To Permit The County Of Ulster To Adopt A Local Law To Impose, Collect And Retain A Tax On Real Estate Transfers

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Motion Made By: Legislator Donaldson

Motion Seconded By: Legislator Walter

Discussion: Members agreed to postpone to Resolution to the next Special Meeting on this topic.

Voting In Favor: Legislators Archer, Bartels, Gavaris, Haynes, and Walter, and Legislative Chairman Donaldson

Voting Against: None

No. of Votes in Favor: 6

No. of Votes Against: 0

Disposition: Postponed

New Business: None

Old Business: None

Chairwoman Archer asked the members if there was any other business, and hearing none;

Adjournment

Motion Made By: Legislator Donaldson

Motion Seconded By: Legislator Gavaris

No. of Votes in Favor: 6

No. of Votes Against: 0

Time: 5:53 PM

Respectfully submitted: Amber Feaster

Minutes Approved: September 8, 2020

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Gavaris, Heidi Haynes, and Eve Walter, and Legislative
Chairman David B. Donaldson
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Pascale; Deputy County Executive Evelyn Wright;
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Quirk; Clerk of the Legislature, Victoria Fabella; Conor
Gillis, NYS Association of Realtors; Tom Kadgen, League
of Women Voters

Chairwoman Archer: I'd like to call the special meeting to order August 13th. It's 5:02 This is the special meeting to discuss Resolution 240.

Amber, could you call the roll?

Amber Feaster: Archer.

Chairwoman Archer: Here.

Amber Feaster: Ronk.

Legislator Ronk: Present.

Amber Feaster: Bartels.

Legislator Bartels: Here.

Amber Feaster: Gavaris.

Haynes.

Legislator Haynes: Here.

Amber Feaster: Maio.

Walter.

Legislator Walter: Here.

Amber Feaster: And Gavaris is with us now.

Chairwoman Archer: Oh good there's John. Welcome John.

Legislator Gavaris: Computer problems. I couldn't find it.

Chairwoman Archer: You know, Ken, since you have to exit, why don't you start off by telling us some of the concerns that you have with regards to what's being proposed?

Legislator Ronk: Yeah, I mean, a lot of my concern revolves around the fact that as A. new tax at a time when I don't think we can really afford to be levying new taxes even though we're in financial, you know, dire financial straits. I think that other folks in Ulster County are as well. Just, you know, you know, just typical residents are struggling. And some of these folks may have to move away because of the struggles from Coronavirus, the, you know, loss of loss of jobs, loss of income. So, they're going to have to sell their house which, quite frankly, for a lot of people is their largest piece of equity, their largest piece of their own net worth. And now as they're having to move away, we're, you know, going to tax them on the way out.

I know that last time there were several proposals that were brought up, you know, such as you know, setting \$1 limit such as Columbia County has, I think a \$200,000 threshold for the transfer tax, anything under doesn't qualify for the transfer tax. Everything over qualifies for it.

You know, another example that somebody had used was a minimum, you know, residency time period. You know, I think, if I remember correctly, because it was a while, a lot of meetings ago, you know, just last month, but there was a proposal that would, you know, talk about, like, you know, age perhaps, you know, people over a certain age wouldn't qualify for the transfer tax. And Counsel Ragucci had mentioned that he thought we could do that with the current, you know, home rule request, that we could still craft, our transfer tax, you know, under the, you know, same subsection of the law as, as we were attempting to amended it to.

Nick and I have had, sorry, hold on a second. Nick and I have had several conversations about it where it's our belief that we would need special legislation, it wouldn't be the same as just enacting a transfer tax, under the current authority that other counties have to levy a transfer tax. We would need special legislation. And we would need to decide the parameters. And we'd need to make sure that the parameters that we're using are permissible, under, under state finance law.

So, those are a lot of my concerns. I don't know that I would support levying a transfer tax at this time, under any circumstances, quite frankly, but I wanted to levy those concerns that, that we have.

Chairwoman Archer: Okay.

Chairman Ronk: I know that was a lot.

Chairwoman Archer: It is, yes. And yes. And, and, and, I, I did hear the, the concern about a long, some long, a someone long-time resident, who is at this juncture selling their home. One of the things that we could do is a, is a wave transfer tax for STAR, folks that are STAR, signed up for the STAR tax. So.

Legislator Ronk: Yeah, for the primary residents, essentially.

Chairwoman Archer: Right. Exactly. So, which could potentially address the concerns? I believe, John, you had concerns about that as well. In the last meeting. Was there something that you felt that would preclude us from putting through something like this?

Legislator Ronk: No, but, you know, it would not be in its current form, we would need to draft a separate Home Rule request, requesting special legislation, and in our request, we would need to delineate exactly what we would want the parameters to be. Nick, correct me if I'm wrong on that.

Nicholas Pascale: Yeah. No Ken, I think what we would need to do is, is you could maybe do it by amending the current request to the state, just to just to make sure that the exemptions that you're requesting are built into the enabling legislation that's ultimately passed at the state level. And I did speak to Chris about that and I think we are in general agreement on that, on that process. And we would just need guidance from the Committee on what those exemptions might be that you'd want to build in.

Chairwoman Archer: Chair Donaldson.

Legislative Chairman Donaldson: I think Eve had her hand up before me.

Chairwoman Archer: Oh, I'm sorry, I didn't see that Eve.

Legislator Walter: That's okay. I, I just needed some clarification. So, the resolution is to adopt a local law, but this, is this just, so this is just for the real estate transfer, but not for, sorry, I have to go back to get the, the mortgage recording tax. We're only talking about the real estate transfer and not mortgage recording? And is there a reason why, based on the Comptroller's report, we're only looking at one of the two? Or is it that we have to do this separately?

Legislative Chairman Donaldson: I guess I could answer that somewhat. When we first started looking at this, my mind mindset was, you know, people trying to get into a house, and doing a mortgage tax, they added on, they already have all these other type, you know, mortgage taxes from the villages, and the town, and the city and, and I think even the state. I didn't really want to pile on. I mean, I was they're really having, you know, the trying to get into a house. It's kind of difficult. You know, particularly in today's world. I mean, you know, you people getting married, they have a child and have kids, they want a house, and it makes it pretty tough. So, I think it's easier to pay when you're selling it. So, that you're selling it. So, it's an easier, it's not going to, it's not going to hold somebody up from getting a house, shall we say, because it comes from the seller's side

Legislator Walter: Can I continue?

Chairwoman Archer: Yes, please.

Legislator Walter: Thank you. So, I guess I feel like, you know, we, one of our, we have a big problem where people are buying up houses for use of Airbnb rentals and that kind of thing. And, and not necessarily even living here. I guess I wonder whether we can reconsider both of these taxes, but with the parameters of, again, like the income thresholds, or the cost threshold. I think \$200,000 is kind of low, but you know people who are purchasing homes, maybe over \$400,000, you know, it, it becomes a whole different category of homebuyers than those who are up to \$400,000.

And, and yeah, I, so, I support the sort of a threshold for the, the cost of the home. But I also would like us to sort of considering this mortgage recording tax, again, with the kind of threshold. We want to encourage people who are buying these lower cost homes to becoming a not have an added penalty, but at these higher level properties. I think that we could be gaining, but not only gaining support, but I think about how some of the different municipalities have used it. It's kind of the concept we use in, in the village of *****rec fees*****8:47. It's like when they're coming here, they're going to be having added demands upon our county. And so, including them in the mortgage recording tax would say, you know, contribute a little bit to the costs it takes to provide you the services that this county provides you, that it seems reasonable to consider asking them, as well.

Legislative Chairman Donaldson: Well, could I?

Chairwoman Archer: Yeah, go ahead.

Legislative Chairman Donaldson: Yeah. The I mean the mortgage tax, we don't have a mortgage tax on the county. But we are, you know, we got a, a fee for being the bagman, shall we say? That's the reality. We do get a fee for doing it. So, it's not costing us anything to collect it for the city and the towns in the village and have you. And I don't know. I find that it's a, I realize that the City, I know the City of Kingston and the towns really rely on that money. And in fact right now, I don't know if you saw on Bloomberg article that the City of Kingston real estate is being sold at, it's the fastest selling real estate in the country, not the state, the country. So, it's, you know, kind of crazy right now. Too bad we didn't have this thing in line now, we would be collecting some serious money.

Chairwoman Archer: Well that only if you have inventory. Inventory is limited. So it's a, it's a, it's a, plus and a minus. And a part of why it's so high is because we also have low inventory. So, I think it's important to kind of look at the whole picture.

Legislative Chairman Donaldson: But I, I, you know, I kind of agree with some of the mindset that, you know, perhaps before the seller tax or the transfer tax kicks in, it could be, you know, at a threshold. Maybe of \$200,000 after the \$200,000 that would be, then they would be collecting.

I also have a... Oh, I mean, I understand that, you know, people live in their houses for you know, I've been in my house for almost 40 years now, I think. So, you know, when I sell it, should I pay a transfer tax? I mean, I don't mind it. I mean, I've been here, no big deal. But I can certainly understand that some people that's their only, you know, that's a really only real asset that they have. So, when they're selling it, you know, that could be, you know, when grandma sells the house, and I'm grandpa now, I guess. You know, when I sell the house, I think, you know, do I want, should I

have to pay that tax? I've been here for 40 some years, paying taxes all along? Well, I certainly see Legislator Gavaris' point. And I think we can fix something in that. I think maybe if you've been in the house for 15 years, or if you've had to own a home for 15 years, and you're selling, then you should be, not have to pay the transfer tax.

Chairwoman Archer: I think a way we can get at that to address the concerns is if you're STAR exempt, then it would be waived. I, I, because I think that that's the, if you're STAR exempt, that gets to the value of the home, that gets to your income level, that gets to all the concerns that were raised by John with regard

Legislative Chairman Donaldson: But isn't everybody somewhat STAR exempt? Everybody is STAR exempt.

Chairwoman Archer: No. I don't.

Legislative Chairman Donaldson: Once you get to a certain.

Legislator Haynes: I think she means Enhanced Star.

Chairwoman Archer: Enhanced Star, thank you.

Legislative Chairman Donaldson: Oh, all right. Now, can somebody explain the, I know, does anyone know what that threshold is with the Enhanced Star?

Chairwoman Archer: And we could check on it. But for some reason \$70,000 is sticking in my head, but I may be wrong.

Legislative Chairman Donaldson: That's the income?

Chairwoman Archer: That may be. But we'll double check on that. I'm not sure.

Legislative Chairman Donaldson: But there's an age for that too, right?

Legislator Haynes: It's \$86,000.

Chairwoman Archer: It's age as well. I'm sorry, Heidi.

Legislative Chairman Donaldson: Heidi said something, what did you say Heidi?

Legislator Haynes: \$86,000. You must have earned no more than \$86,000 to be eligible. I have to check the age.

Chairwoman Archer: March.

Comptroller Gallagher: Hi, everybody. Thank you so much for setting up this meeting and for taking this idea seriously. I wanted to bring you a revenue opportunity because of our financial situation.

I just, I urge you to think about if you're going to exempt certain people, that the revenue calculations here, were based on the fact that Nina's shop, the Clerk's Office, processed 6,106 transfers in 2019. Okay, but that's an average transfer price of \$195,000. So, when you set a threshold of several hundred thousand dollars for a house, you're cutting out a huge amount of your revenue. So, we need to think about that. And I do not have the list of transactions from Nina right now to tell you exactly how many fall under that.

I will say that the NYSAR data from just this June that people were referring to that was in the Bloomberg were really showed that the current, the current price, which is a median price for Ulster, is at \$275K. Okay, so that gives you an idea.

Obviously, transfer tax also captures commercial properties, not just residential. While residential inventory is very constrained, it covers everything. So, I wanted to mention those, those aspects to you.

And then also to think about, if you have a seller selling a house for \$200,000, the full impact of the tax that they're going to pay is a few hundred dollars. It's \$400. It's not excessive. So, I just want to throw those things out there for you to think about. Thank you.

Chairwoman Archer: Legislator Gavaris.

Legislator Gavaris: Is that report available in some type of Excel format that we could actually drill it down and see what the different combinations would result in? Does anybody know?

Chairwoman Archer: We could check with the clerk? I'm not sure what level of detail she has. March, I don't know if you guys know when you were doing that, or you just got

Comptroller Gallagher: No, I used her annual report. And my estimate is based on the state how much revenue the state took in because the state charges double what was proposed in this resolution. So, it's easy to take their number and halve it.

Chairwoman Archer: So I, and maybe I missed it. Do we have a good number of counties that are, that are charging a mortgage tag?

Comptroller Gallagher: Only five counties charge a mortgage, I mean

Chairwoman Archer: That's in Niagara?

Comptroller Gallagher: Only five counties charge real estate transfer tax. 26 counties charge a mortgage recording tax. Five counties charge real estate transfer tax. They are Broome, Columbia, Essex, Tompkins, and Erie County. They charge slightly different rates. The rate that was put forward in this resolution mirrors the rate in Columbia, Essex and Thompson; that is \$1 per 500; or really \$2 per thousand in value as an easier way to think about it.

Chairwoman Archer: So, that's on the transfer tax. But the mortgage tax, do they charge, how many counties are charging a mortgage tax where the county is taking a percentage and not the

Comptroller Gallagher: 26 counties charge or mortgage recording tax.

Chairwoman Archer: Not just, not just a fee, which is what we're doing, correct?

Comptroller Gallagher: Correct. 26 counties charge a mortgage or recording tax. Most of those counties charge 25 cents per hundred dollars in value.

Chairwoman Archer: And do they also distribute to the municipalities?

Comptroller Gallagher: Yes, that's state law.

Chairwoman Archer: Oh, okay. Thank you.

Legislator Walter: Lynn, my hand's up.

Chairwoman Archer: I'm sorry, thank you.

Legislator Walter: So, so I'll just, I mean, I will reiterate that I think, again, the discussion of, of considering both of these taxes. I do think I mean, if the median is \$275K, then that means that half of them are over that. And so, if we set it at something like \$250 or \$200, we have at least half of them are going to be eligible for it. And it is possibly that, that middle ground that would make this acceptable, at this time.

You know, zero is a lot less than half. And so, you know, I think that, again, I would, I would like to consider, we might just so that we have this, you know, as the as a resolution that would be acceptable to, on, for all parties to consider having some kind of threshold that recognizes, because even if it's someone who's, even if it's a small amount for some of these people who still have a mortgage, you know, who still owe money, they may not be getting that much from the sale of their house, especially, at the lower income. There, it may be very little that they get left. And so, I just I feel like it feels more comfortable if we are considering this as somewhat more expensive homes. But also, I'd like to just regrop on the idea of considering both taxes.

Chairwoman Archer: March.

Comptroller Gallagher: If I may, the \$275K number was the June 2020 median. The median for the entire first quarter of the year was only \$235K. It may make sense for us to work out some sort of median over 2020, or median over 2019 and 2020. I think June, to rely on the June median, there was some sort of exception there. And we know that there were, you know, transactions where there were bidding wars, I don't think that's a good price to use. I think we need to look at a longer range of time. Just a thought.

Legislator Walter: Sorry, one more thing, thank you, is also I think that this becomes more palatable if we, and we may not do this, but in some of these cases, the counties identify what this funding is used for. And so, it might be responsible for us to suggest, you know, I mean, is this to invest in affordable housing. Is this, you know, if there's something that we are actually explaining what this is going to support. Or even if it's this idea of supporting, in terms of the mortgage, one, that it's supporting the type of infrastructure that's available in Ulster County. But I think it's helpful to have that context.

Chairwoman Archer: March.

Comptroller Gallagher: Lynn, if I could just bring everybody up to speed. the Broome, Columbia, Tompkins taxes goes to the general fund, while Essex and Nassau have targeted it to specific purposes, including public safety radio communications, infrastructure development, and debt service at the college. So, you know, we definitely have expenses where you could target these revenues that, you know, could directly tie in.

Chairwoman Archer: But at this juncture, the one we're most concerned about is our general fund. So, you know, while those made sense probably when they enacted them, given the current situation, it would be interesting to find out if it's still relevant. And has it added value to what they had earmarked it for.

Legislative Chairman Donaldson: Right. But just, you know, for point of information though, you know, like the motel hotel tax goes towards tourism. But it's not, there's other money that goes towards tourism. So, if you turned around and you said it's earmarked for infrastructure. We know very well that we're going to be paying, if we bring in, say we get we can bring in \$1.5M, shall we say a year? Well, we know damn well, we're going to spend more than \$1.5M on infrastructure, anyway. So, if we earmark for the infrastructure, I don't know what our infrastructure costs are a year, but I'm sure they're well over \$1.5M.

Chairwoman Archer: Yeah. They are. So, that's what you would recommend? Is that in here? I don't think it is. Do we have to, at this juncture, identify what we're using it for?

Comptroller Gallagher: In my opinion, it should go to the general fund.

Legislative Chairman Donaldson: I think if we, I think if we do the, if we're listening to basically what attorney Pascal points out, that if you put that in, I mean, I believe you don't necessarily have to, and then you can put it in later, but sometimes it may be sellable to the state by saying you're going to be earmarking it for certain monies. And sometimes they, you know, they go okay, your earmarking it for infrastructure so, and maybe more sellable, and more palatable to the people that are carrying it.

Chairwoman Archer: Chris do you have an opinion on that?

Christopher Ragucci, Esq.: Yes, I, I also agree with the Chairman. While I don't think it's necessary, I do think for purposes of getting it passed, the more specificity, in this regard, would be better.

Chairwoman Archer: So if we're going to do that, would we consider doing both, based on the conversation here, or do we want to keep it just at the one?

Legislator Walter: I think we should do a straw poll. If that's okay, because I know I would like to do both.

Legislative Chairman Donaldson: Yeah, who gets the short straw, then?

Legislator Walter: That's not a straw poll. [Laughter] You do.

Chairwoman Archer: Heidi.

Legislator Haynes: Yeah. Lynn, what is the currently the going rate for a real estate transaction fee for the sale of a home? Is it 6%?

Chairwoman Archer: For, no, it's 4. For the, yeah.

Legislator Haynes: Okay.

Comptroller Gallagher: \$4, \$4 per hundred thousand. Is that what you mean?

Chairwoman Archer: Right. Do you have an opinion, Heidi, on the, on going one tax, or both tax, if we put some limits, and obviously, we would want to try and see if we could run some scenarios based on those limits. So, if we put a \$200K limit, and, and, and on the one tax. And then, kind of on the sale, the transfer tax for the seller, if they're enhanced STAR, they'd be exempt from the tax. Which would give us some insight. I, I don't know if we could get to that one from kind of a backup of the envelope.

Legislator Haynes: Can you just clarify, if you're selling a home for \$275,000, are you telling me the agents are taking 4%?

Chairwoman Archer: I'm not telling you what the agents are taking. I can't discuss what the agents are taking because everybody

Nicholas Pascale, Esq.: Well, 6, 6% is the going rate, just by projection, 6% is customary.

Legislator Haynes: So, 6%. So, that would be 6% of a \$275,000 home is \$16,500? Am I doing that right?

Comptroller Gallagher: What are you calculating?

Chairwoman Archer: Yeah. I'm not sure what we are all trying to get at.

Legislator Haynes: Wouldn't the brokers fee. So, when you sell your home.

Legislative Chairman Donaldson: The brokerage fee.

Legislator Haynes: Yeah. Yeah, when you sell your home for \$275,000, I know that there's a 6% fee. So, am I calculating that right at \$16,500.

Chairwoman Archer: Yeah.

Legislator Haynes: Okay, so, off the top you pay \$16,500 for the real estate fees?

Comptroller Gallagher: No. Real estate fees are different than broker fees. So there's, what we're talking about here is real estate tax.

Legislator Haynes: Oh, I know what you're, no, no, I understand what you're talking about, yeah.

Comptroller Gallagher: Okay.

Legislator Haynes: Real estate fees. So, I'm just saying as a seller of a home. So, out of the cost, that the profit that I'm going to make on my \$275,000 home, I pay approximately \$16,500 to the real estate agents, approximately, correct? And on the same price home, I'd have to pay an additional \$5,500 and the transfer fee to the county?

Legislative Chairman Donaldson: No.

Legislator Haynes: No? So, on a \$275K home.

Legislative Chairman Donaldson: No, it wouldn't be. It would be about \$600. I think it would be about \$600, wouldn't it, March?

Comptroller Gallagher: Yeah.

Legislative Chairman Donaldson: I'd have to do that on the calculator.

Nicholas Pascale: Heidi, there is, if I can inject, an existing transfer tax paid to the state, which is \$4 per thousand. The proposed here I think is \$2 per thousand. So it'd be \$6 per thousand. If you add the two together.

Legislator Haynes: Can you break that down for me from a, like if we use a \$275,000.

Comptroller Gallagher: You're paying the state right now a \$1,100. And you'd be paying us another \$550 on top of that.

Legislative Chairman Donaldson: Right. Yeah, it would be \$550 for that. If we put in the transfer tax, right there.

Comptroller Gallagher: Yeah.

Legislative Chairman Donaldson: I get the same number. It is going to be \$550, if we have no exemptions.

Comptroller Gallagher: Right.

Legislator Haynes: Sure. Yeah well.

Legislative Chairman Donaldson: I mean, I don't necessarily agree with a \$200,000 exemption because I think you would be missing a lot of numbers. I think \$100,000 would make more sense. And still that means somebody sold a \$275,000 house, it would turn out to be, my wife at a meeting in the other room and I'm getting, I'm sorry, she is actually at a meeting, Community Action, so.

So, my thing is, is that the \$100,000, you would still, you would save \$200 on that. So, it'd be \$350 bucks that you would be paying in that transfer tax. And that would, everybody, that's if we gave

\$100,000 exemption. And if somebody is in the house for more than 15 years, if they owned it for more than 15 years, we could make the thing that they don't pay any, or making a reduced one.

Chairwoman Archer: I, I'm a little bit, yeah, I'm a little bit different.

Legislative Chairman Donaldson: I mean, I don't want to get too much exemptions. The numbers are not that high in the first place. And then it's, is it really worth the aggravation if you're going to end up bringing \$300,000 in, and then having to actually, you know, sell a new tax, shall we say? I mean, the nice thing about this is, it is paid by the seller.

Now, when you, Heidi brought up the idea of the real estate agent getting that, but that's because you chose to go to a real estate agent to sell your house. If you sold it without a real estate agent, you're not paying any of that.

Chairwoman Archer: You know you're talking about the homeowners that are in their house for X number of years, I think you, we may also hit, exclude as significant amount, and folks that are at the higher end, as well.

So, if we used enhanced STAR, that's homeowners over 65, with incomes, combined incomes less than \$86,300. I think that may be a better way to protect the concern that John had, which was folks that have been in their house a long time, who this may be their asset and their retirement fund, or part of their retirement fund. I think approaching it from that perspective we'll get at it and protect those individuals. And probably a good number of them will be in their homes a significant period of time.

But if you put time, then someone with a, you know, who can afford to pay the tax who maybe is sitting in an \$800,000 home, will be exempt just because they've been in the house a long time. And I think it's got to be primary residents, which enhanced STAR requires as well. And so, that I think, is a state acknowledged guideline that could help us as we go through this and ensure that we're addressing those concerns.

Tracey.

Legislator Bartels: So, I mean, just to one thing that you just said. You know, I think that, I think the idea of primary residence and Enhanced STAR makes some sense, if that's the thing we want to address. But to suggest that, that a house, let's say someone lives in a house that now is worth \$800,000, It's, it's yes, that's a lot of money. But when we think of these thresholds, there may be, there may be many people in Ulster County who have lived in their house for, you know, I don't know, 40-50 years, and who don't have a 401k and a retirement, I mean, I know that my, my father-in-law and mother-in-law, you know, raised their ten children in a house in Hastings on Hudson. And they're, you know, basically their whole retirement setup, he was a TV repairman for his life and she was a stay at home mom. And their retirement was based on the sale of that house, which was a significant sale value, but paid for their rest of their life care. So.

Chairwoman Archer: It was probably an Enhanced STAR, right?

Legislator Bartels: You know, at that time, I don't know if it was Enhanced STAR, but it probably, but yes, I mean, I think they would be eligible for Enhanced STAR if it were, if it were their house

now. So, I just want to make sure that we're not, you know, making a, that we need to think through in terms of judgments about the value of the house in relation to the age, and the value to that person. And again, we can, we can ultimately make whatever decision we want. We just have to be thoughtful about that conversation. And whatever decision we make, we're likely to, there are going to be outliers within that category who maybe don't deserve that break. But I think we, if we're going to do it, we need to default to protecting those who really do potentially. So that's my two cents. But I do think that this is complicated.

I, I want to back up and I have one quick question, probably for Chris. Earlier, Ken had said something about, he was, he was speaking to counsel Pascal's point that we would have to write all of this into the Home Rule request, and he was speaking about it in relation to making this age-related. I'm wondering, I mean, nobody right now is talking about making this strictly age related. But is that allowable? To make this strictly a function of age that would strike me as some kind of prejudicial choice, on our part, to say that you're exempt if you're over a certain age.

Legislative Chairman Donaldson: You get exemptions in taxes if you're over 65, with certain other criteria and if you're under it, you don't.

Legislator Bartels: Can I ask that question to counsel? I mean.

Christopher Ragucci, Esq.: Sure. I mean, I, I do know of instances where there are exemptions based upon age. I'd have to refer to the other counties law to know if it's being done in New York State and any other county with respect to this type of tax. I offhand, I don't know the answer to that. But I do know in other taxes, there are age restrictions or exemptions.

Legislator Bartels: Okay. Thank you.

Legislative Chairman Donaldson: Lynn, Can we, maybe what we need to do is find out exactly, what is it four counties, five counties that have the transfer tax? Is that correct, March?

Comptroller Gallagher: Yes.

Legislative Chairman Donaldson: Maybe let's see what they have. What did, what did what do they have on their books? Or what type of exemptions have they put in?

Comptroller Gallagher: I was not able to find any exemptions for those except for Columbia County's exemption for under \$200,000 in value.

Legislative Chairman Donaldson: And what was the, what is the population of Columbia County here, remember? Because I was wondering what they brought in versus their population to try to get an idea you know, like Broome County, Schenectady County and Rensselaer are similar in population to us but I'm not sure about Columbia.

Chairwoman Archer: On the recording? On the recording, mortgage recording tax, Dave?

Legislative Chairman Donaldson: On the, no, on the transfer tax.

Comptroller Gallagher: The population is around 59,000 people.

Legislative Chairman Donaldson: Oh, all right. They're the ones that brought it about \$300,000?

Comptroller Gallagher: No. That that column is potential revenue that Ulster would receive if we used their tax rate on our 2019 transactions. That is not their revenue for that tax.

Legislative Chairman Donaldson: Okay,

Comptroller Gallagher: I'm sorry if that is misleading. That is our potential revenue if we were to charge the same rate.

Chairwoman Archer: Okay, I had Heidi and Eve. Heidi, would you like to go first?

Legislator Haynes: Well, we talked about doing the in, going along the same lines as the Enhanced STAR Exemption, you know, has anyone considered the possibility of the Enhanced STAR disappearing?

Chairwoman Archer: No. Why? Are you hearing it may?

Legislator Haynes: You never know. It's a turbulent time. Just putting that out there.

Chairwoman Archer: Yeah. Eve.

Legislator Walter: Yeah. So, I guess what it would be nice to see, and I don't know how easy it is to estimate what percentage of the houses are eligible for Enhanced STAR. But I think at this point, seeing a set of this, you know, for both taxes, the revenue. While March already provided the revenue, if we just put them in. And then if we had, even if it was a rough estimate of, if we made the \$200 cap, if we excluded people who had Enhanced STAR, and just so that we're actually looking at actual numbers to make this decision.

And I'll say to speak to Heidi's point, you know, we can conceivably put in something, if this passes with Enhanced STAR, and it goes away, then we would have to just make, you know, I guess we'd have to pass another one that provided other parameters. Or you know, who knows. We may want to change this down the line for other reasons as well. But I feel like I would like to just see these different options and understand what they entail.

Chairwoman Archer: March, can you help us with that?

Comptroller Gallagher: Not at this moment, but over time. Sure.

Chairwoman Archer: What does that mean?

Legislative Chairman Donaldson: Come on March get this out.

Legislator Walter: What is, so what information do we have about houses and Enhanced STAR? Do we know like by property value? Do we just know percentage? I mean, what do we know, anything?

Yeah, okay.

Legislative Chairman Donaldson: Lynn.

Chairwoman Archer: I'm not sure. I think we're going to have to find out through real property if we have an understanding of how many properties, of the properties we have listed in the county, how many are Enhanced. I don't know if they have that information. Do you know, March?

Legislative Chairman Donaldson: Do you think you can get that information through the state

Chairwoman Archer: From the assessor or from the state?

Legislative Chairman Donaldson: Yeah, I think you could probably get that information from the State. I don't see why, I mean, they have to have records of it somewhere because they're the ones that hand out the Enhanced STAR.

Let me ask you this. I know, March, you gave us the local county mortgage recording tax. So, a transfer tax would be similar in amount, other than the idea that it includes also cash transactions, where the mortgage tax is only going to, it's only going to be collected with somebody actually getting a mortgage.

So, when I'm looking at, like Broome County. Now Broome County has I think around 190,000 people, probably about 10,000 or so more than us. And their collections was \$1.116M. And then in Schenectady who has only 155,000, collected \$1.5 million. So, I'd say, I mean, I'm looking at that number because we're using the same number, 25 cents on a \$100 and we just put it, rounded it out differently. So, it should be similar to those, or somewhere in between. So, Broome County, who has more population, collected less. I don't know if it's because of the value of the houses or maybe they have other things in there that exempts.

Comptroller Gallagher: I think our property values are higher than those two counties. So, that could make a difference as well. Yeah.

Chairwoman Archer: And the number of transactions.

Legislative Chairman Donaldson: Well, I think Schenectady property values are probably higher than ours, aren't they?

Comptroller Gallagher: Maybe. I don't know the answer to that.

Legislative Chairman Donaldson: I don't know about Broome County, but Broome County has a significantly more population than in Schenectady collected a lot less. And I'm wondering if they don't have some type of exemptions of sorts in Broome County's mortgage tax.

But I, if we can find out what other, even with the mortgage tax ones, how they, they did exemptions. Maybe Amber, you could send out something to those counties that collected those, that mortgage taxes, and the real estate. And find out what exemptions they may have. They probably have that handy in their, their budget people probably know that well.

Amber Feaster: I will certainly look it up.

Chairwoman Archer: Legislator Gavaris.

Legislator Gavaris: So, March, can you go back and explain. The numbers that you're quoting us and where you got your total figure from? Where did that come from out of the Clerk's report?

Comptroller Gallagher: Which, it's not in the clerk's report, which number you talk about? Mortgage or real estate transfer?

Legislator Gavaris: So, you, you said a number earlier, and I thought you said it was based on the mortgage recording, that I may have missed?

Comptroller Gallagher: No, I was talking about the real estate transfer tax. And when I gave you a value, and that amount is pretty easy to figure out because the Clerk's office identifies how much New York State received in 2019. And what we're talking about is roughly half that.

Legislative Chairman Donaldson: But what did the state? What was that number?

Comptroller Gallagher: \$4.6 million in real estate transfer tax. And they charged \$4 per hundred thousand. And the resolution proposed here, charges \$1 per 500, or \$2 per thousand. So that's half of what the state charged. So, if the state received \$4.6 million in 2019, we would have received approximately half of that. There's a little bit more of a, you know, a specific calculation. You can back out the value of the property from the state number, the average value of the property, which was between \$192,000 and \$195,000. And there were 6,106 transactions. So, that's the way it was figured out, John.

Legislator Gavaris: So, that you're talking about the second page, I'm sorry, page 16 of that report you sent me.

Comptroller Gallagher: I honestly do not have that open right now. So...

Legislator Gavaris: Okay. Alright.

Comptroller Gallagher: I have a lot of other things open, but not that one. He's talking about the clerk's annual report?

Legislator Gavaris: \$4.6 million total receipts.

Comptroller Gallagher: Yes.

Legislator Gavaris: For New York State.

Comptroller Gallagher: Yes.

Legislator Gavaris: I found it.

Comptroller Gallagher: And that is \$4 per thousand per \$1,000. And if we were going to do half of that, then our revenue would be half of that.

Legislator Gavaris: Okay.

Chairwoman Archer: Well, if you go to page four of the report that March sent us, it's right there John. On the report we sent out.

Legislator Gavaris: No, March sent me something different.

Comptroller Gallagher: John likes the original data.

Chairwoman Archer: Okay.

Comptroller Gallagher: He likes the original data.

Chairwoman Archer: He likes all, he likes the hundreds of pages. John, I'll remember that next time? Okay, any other questions?

Legislator Walter: Yeah, what's next?

Chairwoman Archer: Well, I think we've got some, I think we've got some work to do, to say, if we do both taxes, if we set a limit on both of them at, at some level, what's the impact? And we'll find out what the other counties are doing. Have they, Go ahead, March.

Comptroller Gallagher: I would just like to offer, I will reach out to Nina and see if she can give me a list of transactions by value. So, we get some sense of idea of like, how are the transactions looking, specifically, right now.

Chairwoman Archer: Okay.

Comptroller Gallagher: You know, and how many transactions they were and what the value of them was because again, the NYSAR data that I shared, which is New York State Association of Realtors, it's only single family homes, it's only residential. And real estate transfer tax covers a lot more.

And then I will also connect with Amber on the idea of what these counties are doing. I do have citations and state law. But, and these, my data came from, in part, my, my mortgage recording tax data came from New York State Association of Counties. So, I can help her see if there's anything more specific there.

Chairwoman Archer: Okay.

Legislator Walter: Can I? Yeah, so and the STAR, the STAR Credit Issued Reports that are available to assessors and county real property tax directors. So, I don't know who those people are but we, there are reports that are put out on 45 days after the final date the school tax bills or due, they have these reports.

Chairwoman Archer: March, maybe you could check with the Director of Real Property.

Comptroller Gallagher: Tracey, she has it, definitely. I am looking at her exemption, like, lists here in her report. But, oh wait, here it is, here it is, here it is. The Senior STAR Exemption. Yeah, I need to talk to her about this because this is kind of like what each town exempted. But yes, I am certain that the Director of Real Property has access to that information. Yeah. And I know she'd be more than willing to share it. She's really great on the data.

Chairwoman Archer: John.

Legislator Gavaris: Yeah, I, I just think as granular as we can get the data, the better. I really would like to have a model setup that we can play around with, and figure out if we do X, what will Y and Z look like? I really like the idea of playing it, and seeing it, and what the impact is going to be. Because some things I'm comfortable with and some things we're discussing, I'm not. Especially not knowing what that impact would be for a person. So, the more granular the better.

Chairwoman Archer: Legislative Chairman Donaldson.

Legislative Chairman Donaldson: Yeah, I agree with John. And I also believe that, you know, we need to know if we are making exemptions, how much that's actually going to cut in that end of the tax levy for us. Because, you know, is it going to be worth it if the numbers are not there. That actually be an understanding also. So, I would really like to know, even with the mortgage tax, from others. Because even though this is a real estate tax that, I mean, a transfer tax we're talking about, we can still get an understanding through the mortgage tax on where others are creating exemptions, that they created. At least we have an idea so we're not reinventing, totally reinventing the wheel. I mean, we're going to make her own wheel, but we can use others, as our guidance.

Chairwoman Archer: Okay, so, that perhaps between Amber and March we can come up with a way of doing that based on your numbers March and, and we'll work together to see if we can come back to this group with some ideas. And maybe even an Excel spreadsheet that will say, okay, what if we do this, what's the impact?

Comptroller Gallagher: A little sensitivity analysis. So, you guys have pop-in, like the changes, and then see what it does. Right? I mean, that would be ideal.

Legislator Walter: Are you going to make a dashboard?

Comptroller Gallagher: We need the data from Nina.

Legislative Chairman Donaldson: It's going to be tough to be, It'll be tough to be exact, but we can at least get a flavor. And I think that's what we need.

Comptroller Gallagher: Yeah. If we know the transactions that have been happening, and how much each of them are for, it would really help us.

Chairwoman Archer: Yeah, I think that would. Great. All right. Well, thank you. And thank you, everyone. I mean, is there any other, any other comments anything else anybody else has to say before I ask for a motion to adjourn.

Legislative Chairman Donaldson: No.

Chairwoman Archer: Thanks, no?

Legislative Chairman Donaldson: I've made a motion.

Clerk Fabella: I would have loved for you to have taken action on that resolution. Did I miss it?

Chairwoman Archer: We didn't take, we have more work to do.

Clerk Fabella: Right I...

Legislator Walter: I move we postpone the resolution.

Clerk Fabella: Yeah. Why don't you postpone it then?

Legislator Walter: I made a motion to postpone.

Chairwoman Archer: We're just going to, okay.

Clerk Fabella: Or take no action, either way.

Chairwoman Archer: But I don't think we should take an action. We could postpone at the next meeting. Because we, if we postpone now, it's only postponed till the next meeting anyway, so, lets take.

Clerk Fabella: Well this was, okay, it was postponed, this was a special meeting for this purpose. So, you can postpone this to a specific meeting if you want.

Chairwoman Archer: Oh, okay. So.

Legislative Chairman Donaldson: I make a motion to postpone it to the next special meeting that we have for dealing with this particular thing, when we decide to have that meeting.

Legislator Walter: Second.

Chairwoman Archer: Second that, okay. Good. So, we will get back to everybody as to what that date is once we have the data. And thank you all for input. And your help, March, thank you. And Amber, I'm going to appreciate the help you're going to give us as we go forward. So, thanks, everyone.

Legislative Chairman Donaldson: Thank you.

Comptroller Gallagher: Thanks, everybody.

Chairwoman Archer: Motion to adjourn.

Legislative Chairman Donaldson: Have an ordinary day.

Chairwoman Archer: Motion to adjourn.

Legislator Gavaris: You didn't call the vote.

Chairwoman Archer: Oh, thank you, John. All in favor.

Legislator Gavaris: We didn't vote on it.

Chairwoman Archer: All in favor of postponing to a future date.

Group: Aye

Chairwoman Archer: Postponed

Legislative Chairman Donaldson: I want everybody to have an ordinary day.

Chairwoman Archer: Adjourned. Chairman Donaldson is adjourning.

Legislator Gavaris: Motion to adjourn.

Chairwoman Archer: And John is seconding. All in favor?

Group: Aye.

Chairwoman Archer: Thank you, everyone.

Legislator Bartels: Good night.

Legislator Gavaris: Take Care

Chairwoman Archer: Yup, goodnight.

More work, Amber.

Amber Feaster: That's all right.

Chairwoman Archer: Thank you.

Amber Feaster: Good night.

Chairwoman Archer: Good night.